

Legislative Analysis



EXEMPT SIGNS UNDER 40 FEET SQUARE FROM HIGHWAY ADVERTISING ACT

Mary Ann Cleary, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4162

Sponsor: Rep. Kenneth Kurtz

Committee: Transportation

Complete to 10-11-11

A REVISED SUMMARY OF HOUSE BILL 4162 AS INTRODUCED 2-1-11

The bill would exempt signs or sign structures smaller than 40 square feet from the Highway Advertising Act (1972 PA 106). The act applies to signs along primary highways, freeways, and interstates, and generally speaking, a permit is needed under the act to put up or maintain a sign or billboard along such roads.

MCL 252.305

FISCAL IMPACT:

The Highway Advertising Act gives to the Michigan Department of Transportation the authority to license, regulate, control, and prohibit outdoor advertising signs under circumstances and conditions described in the act. The act also establishes permitting fees and designates fee revenue to the State Trunkline Fund. Sign permit fees currently generate approximately \$1.0 million per year for credit to the State Trunkline Fund. To the extent that the bill would eliminate a class of billboard from the permitting requirements, it would result in a loss of permit fee revenue, although the amount cannot be readily determined at this time.

We also note that federal law, the Highway Beautification Act of 1965, as codified in 23 U.S.C. 131, requires that states "effectively control" outdoor advertising along certain federal-aid highway systems. Under Section 131(b), a state's failure to comply with the Highway Beautification Act can subject that state to the loss of ten percent of its federal-aid highway funds. We do not know if the bill would result in state non-compliance with the federal Highway Beautification Act. We will add additional information to this analysis based on committee testimony.

Legislative Analyst: E. Best
Fiscal Analyst: William E. Hamilton

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